

**BEFORE THE INSURANCE COMMISSIONER  
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF  
JIMMY L. RHODES, JR.  
License No. 7889801, Respondent**

**A.I.D. ORDER NO. 2019- 26**

**CONSENT ORDER OF REVOCATION OF LICENSE**

Now on this day before Allen Kerr, the Insurance Commissioner for the State of Arkansas ("Commissioner") came Jimmy L. Rhodes, Jr., of Rhodes Funeral Home, who has reached an agreement concerning the resident funeral expense license ("funeral expense license") issued to him by the Arkansas Insurance Department ("Department"). The Commissioner is represented by Amanda Gibson, Associate Counsel. Respondent voluntarily waives his right to a hearing and consents to the entry of this Consent Order of Revocation of License. From the facts and law before the Commissioner, he finds as follows:

**GENERAL STIPULATIONS**

1. It is expressly understood that this Consent Order is subject to the Commissioner's acceptance and has no force or effect until such acceptance is evidenced by the entry of the Commissioner.
2. This Consent Order is executed for the purpose of avoiding further administrative time, expense, and action with respect to this cause.
3. Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts or omissions not specifically addressed in this Order or for facts and/or omissions that do not arise from the facts or transactions herein addressed.

4. Having the right to consult with legal counsel, Respondent expressly waives all further procedural steps, and expressly waives all rights to seek judicial review of, or to otherwise challenge or contest the validity of this Consent Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Order by the Commissioner. This Order is executed in the public interest, in the best interests of the parties hereto, and it represents a compromise and settlement of the controversy between the parties. This Order is for settlement purposes only.
5. By his signature affixed below, Respondent affirmatively states that he has freely agreed to the entry of this Consent Order, that he has been advised that he may consult with legal counsel and has had the opportunity to do so, that he waives his right to a hearing on the matters underlying this Consent Order, and that no threats or promises of any kind have been made by the Commissioner, the Department, or any agent or representative thereof.
6. The parties, by executing this Consent Order, affirmatively state their agreement to be bound by the terms of this Order and aver that no promises or offers relating to the circumstances described herein have been made, other than the terms of settlement set forth in this Order, are binding upon them.
7. Respondent acknowledges and admits that he is no longer able to meet the requirements necessary to qualify for a funeral expense license.
8. Respondent acknowledges that the purpose of this Consent Order is to revoke his funeral expense license.
9. The Department agrees to forego pursuing monetary penalties pursuant to Ark. Code Ann. § 23-64-512(d)(2) or § 23-64-216(d) as a consequence of Respondent selling prepaid

funeral benefit contracts for Powell Funeral Home after Rhodes Funeral Home's prepaid funeral permit was revoked.

### **FINDINGS OF FACT**

1. On August 29, 2011, Rhodes Funeral Home's prepaid funeral permit was revoked by the entrance of Department Order 2011-072. That Order also required Rhodes Funeral Home to divest of all prepaid funeral benefits contracts that were currently unfulfilled.
2. The block of prepaid funeral benefits contracts was subsequently purchased by Powell Funeral Home.
3. Respondent was appointed to sell prepaid funeral contracts through Powell Funeral Home on August 29, 2013 and is currently appointed as such.

### **CONCLUSIONS OF LAW**

1. Ark. Code Ann. § 23-60-101, *et. seq.*, assigns the responsibility for administration of the Arkansas Insurance Code to the Arkansas Insurance Commissioner. The Department is the lawful agency through which the Commissioner administers the Arkansas Insurance Code, and is authorized to bring this action for the protection of Arkansas consumers.
2. The Commissioner has jurisdiction over the parties and subject matter pursuant to Ark. Code Ann. §§ 23-40-107(a), 23-40-108, and 23-61-103.
3. The Arkansas Producer Licensing Model Act, codified at Ark. Code Ann. § 23-64-501 *et. seq.*, governs Respondent's funeral expense license.
4. More specifically, Ark. Code Ann. § 23-64-506(e)(1) requires that in order to obtain or renew a producer's license, the producer "must be deemed by the commissioner to be competent, trustworthy, financially responsible, and of good personal and business reputation." Further,

Ark. Code Ann. § 23-64-506(e)(2) provides that “qualifications for licensure under this section must continue in order to remain licensed.”

5. Ark. Code Ann. § 23-64-512(a) allows the Commissioner to “place on probation, suspend, revoke, or refuse to issue or renew an insurance producer’s license or may levy a civil penalty in accordance with § 23-64-216 or any combination of actions for any one (1) or more of the following causes...(2) violating any of the following that calls into question the insurance producer’s fitness to hold a license: (A) a law;”

6. In light of the foregoing Findings of Fact and the evidence that Respondent sold prepaid funeral contracts through Powell Funeral Home after the permit of Rhodes Funeral Home was revoked, in circumvention of Arkansas Prepaid Funeral Benefits Law and in violation of Department Order No. 2011-072, Respondent does not meet the statutory prerequisites and qualifications to hold a funeral expense license.

7. The Commissioner hereby concludes that the facts set forth in the Findings of Fact, above, provide grounds for the issuance of this Order.

### **ORDER**

**NOW THEREFORE**, on the basis of the foregoing and the waiver of the Respondent of his right to a hearing and appeal under the Arkansas Administrative Procedure Act, Ark. Code Ann. §§ 25-15-201 *et. seq.*, and the admission by Respondent of the jurisdiction of the Commissioner, the Commissioner finds that the Respondent has consented to entry of this Order and that the following Order is appropriate and in the public interest.

### **IT IS HEREBY ORDERED** that:

1. Respondent’s funeral expense license is hereby revoked.

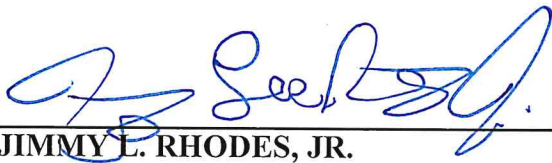
2. Respondent is prohibited from selling any funeral expense policies and prepaid funeral benefits contracts in the state of Arkansas.

3. The Department reserves the right to amend and/or supplement the facts contained in this Order to include violations of state law, with notice to the Respondent.

IT IS SO ORDERED, DIRECTED AND AGREED TO AS OF THE 9<sup>th</sup> DAY  
MAY  
~~OF MARCH~~, 2019.



ALLEN KERR  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS



JIMMY L. RHODES, JR.